

REMARKS/ARGUMENTS

Claim Rejections -35 USC § 103

1. The Examiner rejected claims 1-11 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,009,408 (hereinafter "Buchanan") in view of Internet Publication "2000 Per Diem Amounts" by Vernon Hoven (hereinafter "Hoven").

The Examiner stated: *"Regarding claim 1, Buchanan discloses a system (see Figure 1) for determining travel deductions for taxpayers who stay overnight in cities remote from their homes as part of their employment (see column 4, lines 32-42), comprising: a table identifying allowed per diem expense rates for a given tax year (see column 1, lines 46-49); means for inputting and maintaining data in said table (it is inherent that per diem data is inputted); means for inputting cities visited and durations of stay for a taxpayer (see column 1, lines 44; "travel itinerary information"); means for inputting expense reimbursements received from the taxpayer's employer (see column 3, lines 27-30); means for calculating a total of all per diem expenses based upon the per diem and number of days stayed in said cities (see column 5, lines 3-7); and means for offsetting the reimbursements against said total to determine an incidental expense allowance (see column 5, lines 3-7); [claim 2] a client information table including a taxpayer's profile information (see column 1, lines 66-67); [claims 3-4] an airplane table information (see airline flight information in column 7, line 7); [claims 5-6, 8, 10-11] IRS table information (see column 4, lines 32-34); [claim 7] zip code table information (it is inherent that zip code information is available from travel itineraries.*

Buchanan fails to explicitly disclose the use of IRS per diems based on the traveler's destination city.

Hoven teaches that the IRS allows per diems based on a traveler's destination city (see Page 1, 'Option 2').

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Buchanan based on the per diem allowances taught by Hoven, because tax related expense allowances is controlled by the IRS's current rules."

The Applicant respectfully disagrees with the Examiner. First, the Applicant disputes that Hoven is actually a prior art reference. To constitute prior art, a printed publication must describe an invention. The description must be adequate to a person with ordinary skill in the art to which the invention pertains. By the weight of authority, the description must enable such a person not only to comprehend the invention but also to make it. See 2-5 Chisum on Patents § 5.03¹. Hoven does not actually describe an invention. It is merely an article which sets out the available options for using allowable per diem amounts in accounting for travel expenses. Hoven references an IRS regulation (Revenue Procedure 2000-9) that provides two options for travel expense accounting. These options are: 1) keep track of actual travel expenses; OR 2) use per diem allowances. This article is not an invention: it contains neither elements nor process steps. It might describe to an accountant how to do the accounting required for a particular tax return schedule but it would not enable such a person to make any sort of invention.

Second, even if Hoven were considered an invention Hoven teaches away from Buchanan.

We have noted elsewhere, as a "useful general rule," that references that teach away cannot serve to create a prima facie case of obviousness. *In re Gurley*, 27 F.3d 551, 553, 31 USPQ 2d 1130 (Fed. Cir. 1994). If references taken in combination would produce a "seemingly inoperative device," we have held that such references teach away from the combination and thus cannot serve as predicates for a prima facie case of obviousness. *In re Sponnoble*, 405 F.2d 578, 587, 160 USPQ 237, 244, 56 C.C.P.A. 823 (1969) (references teach away from combination if combination produces seemingly inoperative device); *see also In re Gordon*, 733 F.2d 900, 902, 221 USPQ 1125, 1127 (Fed. Cir. 1984) (inoperable modification teaches away). *McGinley v. Franklin Sports Inc.*, 60 USPQ 2d 1001, 1010 (Fed. Cir. 2001)

A reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the applicant. The degree of teaching away will of course depend on the particular facts; in general, a reference will teach away if it suggests that the line of development flowing from the reference's disclosure is unlikely to be productive of the result sought by the applicant. *See United States v. Adams*, 383 U.S. 39, 52, 148 USPQ 479, 484 (1966) (Known disadvantages in old devices which would naturally discourage the search for new inventions may be taken into account in determining obviousness). *In re Gurley*, 31 USPQ 2d 1130, 1131 (Fed. Cir. 1994)

¹ This section, dealing with obviousness, refers to 1-3 Chisum on Patents § 3.04, dealing with novelty, for discussion of standards for determining what is a proper prior art reference.

The Buchanan invention is a system for predicting, collecting and reporting actual travel expenses. It even includes subsystems for advancing funds to the traveler from the customer's account and receiving reports when those funds are expended for travel related expenses. See Abstract. Buchanan mentions per diems but it is clear from a reading of the text that per diem amounts are simply maximum spending limits that are allowed to certain junior classes of employees. See column 6, lines 5-16. Buchanan includes no step for calculating incidental expenses: such a step is unnecessary. The IRS defines Incidental Expenses as follows:

Incidental Expenses: An individual might be entitled to an employee business expense deduction for other expenses incurred while working away from home, commonly referred to as "incidental expenses." Examples of incidental expenses include fees out of pocket for:

Fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewardesses, etc.

Transportation to the place where meals are taken, if meals cannot be obtained on site and if transportation is not provided.

Mailing costs associated with filing travel vouchers or payment of employer-sponsored charge card billings.

Incidental expenses do not include expenses for laundry, cleaning or pressing of clothing, lodging taxes, or the costs of telegrams or telephone calls. See "***Rules for Employer Provided Meals and Lodging***" Headliner, Volume 100, September 2, 2004

In contrast the instant invention is a system for inputting where and for how long the traveler has stayed and using the IRS per diem tables to calculate travel deductions. This system includes neither advancement of funds nor collection of actual travel expenses. Instead it tracks reimbursements. In addition it determines incidental travel expenses by deducting per diem allowances from reimbursements paid. This is necessary because the instant invention does not track actual expenses.

In other words, the Buchanan invention represents the actual cost method of calculating travel deductions as allowed by the IRS and the instant invention represents the per diem method of calculating travel deductions as allowed by the IRS.

As a result it would make no logical sense to use per diem allowances, as taught by Hoven, with Buchanan's invention. Consequently, Hoven teaches away from Buchanan and cannot be

used in creating a prima facie case of obviousness. Moreover, the instant invention tracks reimbursements and calculates incidental expenses, which neither Buchanan nor Hoven do.

Moreover, claim 10 adds the element of producing supporting documents and IRS schedules which Buchanan does not address. For example, sec. 1.274-5T(b)(2), Temporary Income Tax Regs., 50 Fed. Reg. 46014 (Nov. 6, 1985), provides for certain documentation requirements related to a taxpayer's incidental expenses. These include (1) the dates of the taxpayer's departure for and return from each city that he visited while away from home (the time requirement), (2) the cities or points of travel (the place requirement), and (3) the business nexus between his employment and his travel (the business purpose requirement).

The instant invention provides means for documenting the taxpayer's compliance with all of these requirements in an automated fashion. For a merchant seaman, the tax preparer need only enter the names of ships on which a taxpayer has worked and the starting and ending dates for work on each of the named ships, the system can access a previously entered ship location table to determine the dates of the taxpayer's departure for and return from each city that he visited while away from home, applicable city rate codes for each of the cities in which the seaman was away from home while working, and the link between the taxpayer's travel and his employment during the time of travel. Having made these determinations, the system will then produce supporting logs, schedules and tables oriented to the specific travel activities of the taxpayer, in the required order, for the time in question that will satisfy the above IRS requirements. This supporting documentation will differ for airline workers, merchant seaman, trucker and bus drivers and railroad workers, etc. It will also differ depending upon whether the taxpayer is claiming a per diem rate, lodging or meals and incidental expenses. A typical supporting package providing the required details averages 60 to 120 pages.

Buchanan only mentions producing expense reports, optionally with copies of the supporting receipts. Such documentation will not provide the documentation required to support travel exemptions for the IRS. See column 11, lines 42-67 and column 13, lines 7-15. Claim 11 depends from claim 10 and thus includes all the limitations of claim 10.

Thus claims 1-8 and 10-11 are not obvious over Buchanan in view of Hoven.

2. The Examiner rejected claims 12-22 under 35 U.S.C. 103(a) as being unpatentable over Buchanan in view of Hoven as applied to claims 1-11 above, and further in view of Official Notice.

The Examiner stated: *“Regarding claims 12-21, Buchanan in combination with Hoven disclose all the claimed elements as set forth above but fail to explicitly disclose using a shipping or sailor travel itinerary. As noted above, Buchanan clearly discloses using a travel itinerary and specifically provides an example related to air travel. The Examiner takes Official Notice that it old and well known for sailors to have travel logs (travel itineraries) like those disclose in Buchanan for air travel.*

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Buchanan’s modified device with shipping/sailor travel itineraries as is well known in the art, because travel by boat is analogous to traveling by air and that additional feature will broaden the scope of the potential travelers that can benefit from the IRS reporting function of Buchanan.

Regarding claim 22, Buchanan in combination with Hoven disclose all the claimed elements as set forth above but fail to explicitly disclose assigning tasks to employees based on an employees skill level.

Once again, the Examiner takes Official Notice that assigning tasks to employees based on skill level is old and well known in the art.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Buchanan’s modified device with assigning tasks based on an employee’s skill level as is old and well known in the art, because assigning tasks based on skill level maximizes the effectiveness of the employees by concentrating employee skill on similar tasks.”

The Applicant respectfully disagrees with the Examiner. First, the Applicant disputes that Hoven is actually a prior art reference. Second even if Hoven were considered an invention Hoven teaches away from Buchanan. Third, the instant invention includes elements not found in either Buchanan or Hoven. See arguments presented above.

Moreover, claim 12 does not depend on input of travel itinerary information from the taxpayer as does Buchanan. See column 8, lines 52-52. Instead the instant invention only requires the taxpayer to input the ships on which he worked during the year and the starting and ending dates of his work on each ship. See page 14, line 20 to page 16, line 8. The instant invention then calculates locations and durations of stay for the taxpayer automatically from all the data tables.

Thus claims 12-22 are not obvious over Buchanan in view of Hoven. Official Notice is, therefore, immaterial.

3. Applicant points out that Examiner has made no specific rejection with regard to claim 9. In making a rejection for obviousness, an Examiner must: (a) cite the best references at his command; (b) cite the particular part of the reference relied on; and (c) explain the pertinence of each reference to each claim rejected. 37 C.F.R. 1.104(c)(2). The Examiner has failed to cite any particular part of the references nor provide any comments with regard to claim 9. The Examiner has failed to meet his burden of presenting a prima facie case of obviousness with regard to claim 9. Therefore claim 9 must be allowable. Since claim 9 depends from claim 2, which depends from claim 1 (which both currently stand rejected) a combination of claims 1, 2 and 9 has been presented at new claim 23. This claim must be allowable.

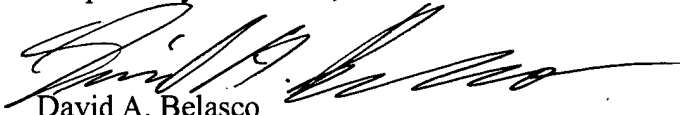
Conclusion

4. The Examiner stated: *"The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure. Shoolery et al. is cited of interest for disclosing a corporate travel controller. Bingham et al. is cited of interest for disclosing a meeting site selection based on all inclusive meeting cost."*

The Applicant has reviewed these citations but does not believe they anticipate or render obvious his invention.

An additional fee of \$9.00 is due on account of the above amendments. See attached Patent Application Fee Determination Record. A credit card authorization for this amount is attached. Reconsideration of this application and its early allowance are respectfully requested in view of the above presented amendments and remarks.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David A. Belasco", written over a horizontal line.

David A. Belasco
Applicant's Attorney
Registration No. 41,609

BELASCO JACOBS & TOWNSLEY, LLP
Howard Hughes Center
6100 Center Drive, Suite 630
Los Angeles, CA 90045
Phone: (310) 743-1188
Fax: (310) 743-1189